directors referred to at (iii) above, as per provisions of the Companies Act, 1956.

Foreign Exchange Money Market

4437. SHRI GOVINDRAO ADIK : Will the Minister of FINANCE be pleased to state :

(a) in what manner Government keep regulatory control over the Foreign Exchange Money Market in India ;

(b) what structural and functional changes have such foreign exchange money market undergone due to the policy of liberalisation ; and

(c) what is the estimated amount of dealing, in such money market, for the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The foreign exchange market in India is regulated by the Reserve Bank of India and the changes introduced recently have been included in Chapter 5 of the Exchange Control Manual, 1993 Edition.

(c) The foreign exchange interbank market turnover figures for 1990-91. 1991-92 and 1992-93 are 715116, 1062723 and 1208533 (Rs. crores), respectively.

Technical Problems Faced by Foreign Investor

4438. SHRI V. NARAYANASAMY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that foreign insitutional investors regisering in India are reported to be facing severe technical problems in the form of custodian service and in the area of settlement ; and

(b) if so, what steps Government are taking for removing the technical problems faced by these foreign investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) In the initial stages of investing in India, Foreign Institutional Investors (FIIs) faced difficulties in obtaining efficient custodial services, as considerable paper work was involved in share transfers and a very limited number of custodians were catering to the needs of custodial services of FIIs. The situation has however, considerably improved with Government and the Securities and Exchange Board of India having taken measures to reduce the extensive paper work through the introduction of Jumbo Transfer Deeds to handle bulk transfers of shares and the provision of a facility of consolidated payment of Stamp Duty by Banker's Cheques where bulk transactions occur. Additional custodial services are also being provided by new market entrants.

INVESTMENT IN FOREIGN CURRENCY FUNDS BY BANKS AND DEALERS

4439. SHRI BISHAMBHAR NATH PANDE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Reserve Bank of India is planning to allow banks and other dealers of foreign exchange to invest in foreign currency funds and borrow from overseas markets to enable them to offer forward covers to the consumers because of growing liberalisation in the banking sector; and

(b) if so, what benefits the banking sector is getting by investing in foreign currency funds ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) According to Reserve Bank of India, as of now, no decision has been taken in this regard.

(b) Does not arise.

Rural Credit

4440. SHRI SOM PAL :
SHRI SARADA MOHANTY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government and the Reserve Bank of India are initiating some concrete measures to step up the flow of rural credit and making it simpler, easily available and adequate ;

(b) if so, what are the specific details and targets thereof ; and

(c) what action is proposed to be taken to see that these are implemented and achieved, as envisaged by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) The existing rural credit policy is so formulated to meet the credit needs of agriculture and allied activities. Under Service Area Approach introduced by Reserve Bank of India (RBI) from 1989, all villages in the country are now allocated to the branches of commercial banks and Regional Rural Banks (RRBs). All the service area branches of commercial banks and RRBs are now preparing village-wise annual credit plans which take into account the requirements of credit for all types of borrowers in the villages including small, medium and large farmers.

A number of steps have been taken with a view to increase flow of credit in rural areas. The important ones are :—

(i) Banks have been instructed that all applications upto credit limit of Rs. 25,000 are to be disposed off within a fortnight and those over Rs. 25,000 within 8-9 weeks.

(ii) To facilitate speedy disposal of applications, the application forms are made available in regional languages,

(iii) Interest on loans upto Rs. 25,000 is kept low at 12.0% per annum.

(iv) Term loans are provided at concessional rates.

(v) No collateral security is required to be provided for loans upto Rs. 15,000.

(vi) Appropriate sanctioning powers have been delegated to the rural branch managers so that majority of loan applications are sanctioned at branch level itself.

(vii) Coversion/reschedulement of loans. for agriculture and allied activities are allowed to borrowers on account of failure of crops/damage to units due to drought, flood and other natural calamities in order to ensure smooth flow of credit to beneficiaries.

(viii) With the recent permission to sanction non-taget groups upto 60% of fresh loans (w.e.f. 1 January, 1994), RRBs will be in a better position to cater to all types of agriculturists (i.e. small, medium and big farmers) in their area of operation.

Constitution of Central and Regional of Reserve Bank of India

4441. SHRI SOM PAL :
SHRI SARADA MOHANTY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Central and Regional Boards of Reserve Bank of India have been reconstituted recently ;

(b) if so, what are the details thereof including the names of members appointed thereon ;

(c) what are the criteria for selecting members and interest groups thereon ;

(d) whether there are any members representing farmers and rural masses on these boards ;

(e) if so, what are the names thereof ;

(f) if not, whether Government would consider giving representation to these groups ; and

(g) if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The Central and Local Boards of Reserve Bank of India have been reconstituted on 28th March, 1994.

(b)The names of Directors appointed on these boards are given in the Statement (*See below*).

(c) to (g) The Directors have been appointed in accordance with the procedure and criteria specified in the Reserve Bank of India Act, 1934. There is no specific provision in the statute for giving representation to farmers and the rural sector. However, the reconstituted Central and Local Boards of Reserve Bank of India are broad based with representatives drown from different sectors and professions including industry, economics, accounting, law, labour, etc.